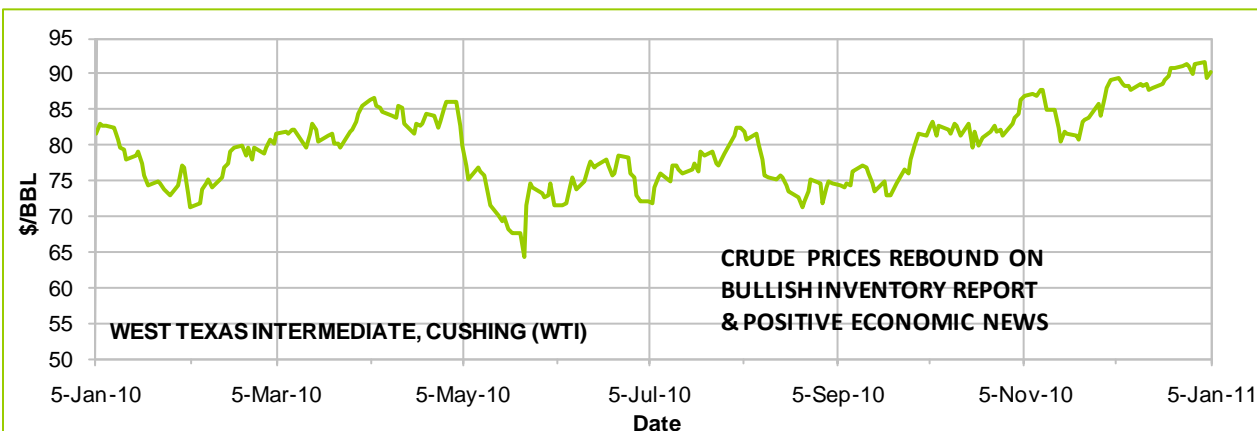


Crude Oil



Crude inventories fell by 4.2 million barrels this week. The decline was twice the expected decline and more than six times the 5-year average decline. A 0.4% growth in domestic production was more than offset by an increase in crude flowing to refineries and a 4.2 fall in imports. Inventories have worsened to only 2.5% above last year and 6.3% above the 5-year average. However, they are at their highest level for this date since 1994.

Spot prices fell by \$2.19 on Tuesday and were down \$0.83 for the week as speculators sold off commodities. Futures prices were \$0.68 higher this week on a bullish inventory report on Wednesday and an improving economic outlook. The spot price settled at \$90.28, \$8.57 (10.5%) higher than a year ago. Futures prices were at \$93.82, \$9.27 (11.0%) higher than last year. Both prices are about 37% below their 2008 peak prices.

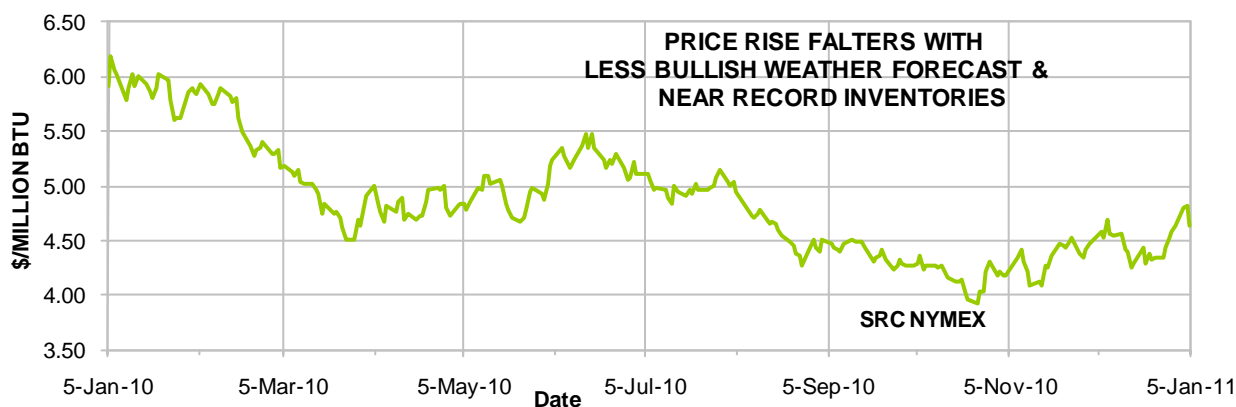


Natural gas



Inventories fell this week by 135 BCF. The inventory decline was slightly more than the expected decline of 129 BCF and 69% larger than the 5-year average decline of 80 BCF. At 3,097 BCF, this week's inventory level is the second highest ever for the time period. It trails last year's record high by only 1.4% and it is 6.6% above the 5-year average. With the colder than normal weather, this season's draw of natural gas is running about 29% greater than the 5-year average.

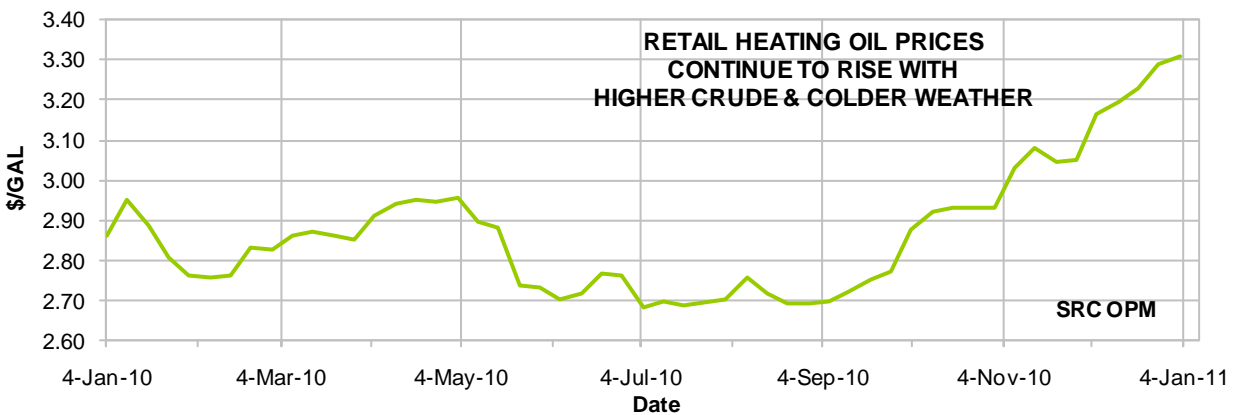
Forecasts for warmer weather and near record inventories pushed prices down Wednesday after almost a week of gains. Futures and spot prices gained 10.5 and 35.0 cents per million BTU this past week. Futures prices settled at \$4.637 per million BTU. This was \$1.287 (21.7%) lower than a year ago and 65% below the 2008 peak. Spot prices settled at \$4.520 per million BTU. They are \$1.640 (26.6%) lower than a year ago and 66% below their 2008 peak. Spot prices have risen by 51.0 cents over the past two weeks.





Distillate stocks increased by 1.1 million barrels this week compared to expectations of a 0.75 million gain and a five-year average gain of 1.5 million. Stocks are 1.9% above last year and they are the highest ever for this date, 17.3% above the five-year average.

Futures prices and spot prices have risen by 29 cents over the past 7 weeks from higher crude prices and colder weather. Futures prices settled at \$2.584/gal, 33.7 cents (15.0%) above last year but \$1.611 (38.4%) below 2008's peak. Spot prices are at \$2.527/gal, 34.3 cents (15.7%) above last year but \$1.553 (38.1%) below the 2008 peak. Retail prices rose by 1.9 cents this past week. They are now at \$3.310/gal, 44.7 cents (15.6%) above a year ago but \$1.457 (30.6%) below their 2008 peak. Prices have risen by 26.6 cents over the past 6 weeks. The highest price in this week's survey was \$3.899 and the lowest was \$2.990. Prices are at their highest level since October of 2008. According to census data, 49.1% of dwelling units in Connecticut heat with oil.



Connecticut Regional Heating Oil Prices

	FAIRFIELD			HARTFORD			NEW LONDON		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
4-Jan-10	2.981	3.299	2.640	2.854	2.999	2.660	2.941	3.199	2.729
20-Dec-10	3.355	3.849	2.940	3.246	3.499	3.099	3.183	3.350	2.940
27-Dec-10	3.426	3.899	3.040	3.307	3.499	3.099	3.248	3.390	3.050
3-Jan-11	3.435	3.899	3.040	3.345	3.690	3.099	3.261	3.390	3.050
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
4-Jan-10	2.913	2.999	2.799	2.848	2.999	2.699	2.784	2.899	2.700
20-Dec-10	3.257	3.399	3.099	3.231	3.429	3.090	3.166	3.290	2.929
27-Dec-10	3.333	3.499	3.189	3.291	3.499	3.140	3.223	3.299	3.129
3-Jan-11	3.347	3.499	3.259	3.303	3.499	3.140	3.248	3.319	3.129
	NEW HAVEN								
	AVG	HIGH	LOW						
4-Jan-10	2.773	2.959	2.530						
20-Dec-10	3.144	3.349	2.940						
27-Dec-10	3.199	3.399	2.900						
3-Jan-11	3.215	3.399	2.990						

OPM conducts a weekly survey of retail heating oil prices in Connecticut. These figures reference the most recent results of that survey for the reporting week beginning January 3, 2011. Figures reflect per gallon prices without discount.

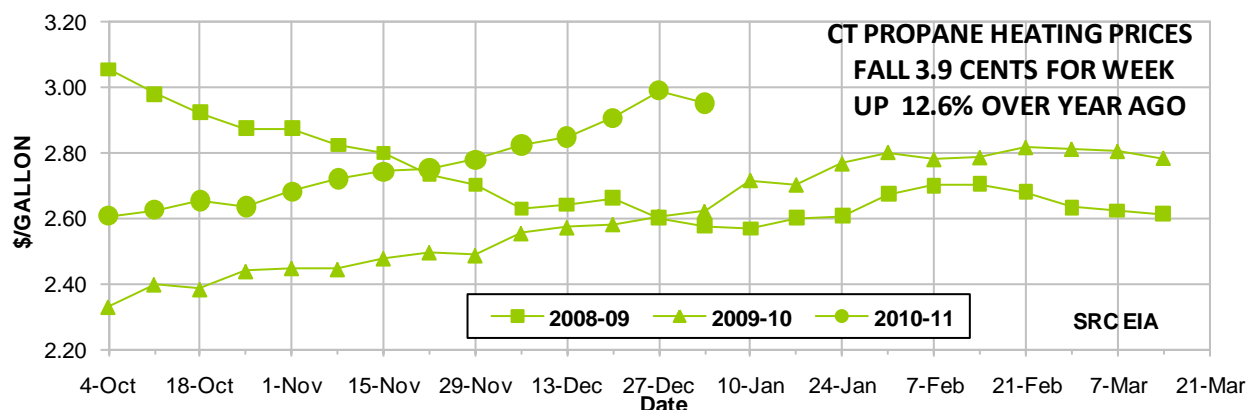
For more information, see www.ct.gov/OPM > Energy Management > Energy Price and Supply Information

Propane



Propane inventories fell by 2.7 million barrels this week. This compares to a 5-year average decline for the week of 2.1 million barrels. Current storage levels have improved to 5.4% above last year but lag the 5-year average by 5.4%.

Spot propane prices generally track crude oil prices. They followed crude lower this week, falling by 2.2 cents/gal after increasing by 38.4 cents over the previous 12 weeks. At \$1.316 per gallon Wednesday, spot prices were 7.7 cents (5.5%) lower than a year ago and 33.5% lower than their peak 2008 price. The average Connecticut retail price for home heating was \$2.953/gal in this week's survey. This is 3.9 cents lower than last week but 33.1 cents (12.6%) higher than a year ago. According to census data, propane is used to heat 2.7% of homes in Connecticut.



Gasoline



Gasoline inventories rose by 3.3 million barrels this week as winter storms curtailed gasoline demand. The increase was 6 times the expected gain of 0.5 million and slightly more than the 5-year average gain of 3.2 million barrels. Inventories levels are 0.5% below last year and they have worsened to only 3.4% above the 5-year average.

Futures and spot prices grew by 4.5 cents/gal this past week. At \$2.472/gal, futures prices are 27.7 cents (12.6%) higher than last year. They are \$1.139 (31.5%) below their 2008 peak. Spot were at \$2.453/gal. This is 33.9 cents (16.0%) higher than a year ago. Spot prices are 28.1% (\$0.959) below their 2008 peak. Connecticut retail prices rose by 1.2 cents this week and by 48.8 cents over the past 14 weeks as gasoline reacted to higher crude prices, slower gasoline inventory growth, and growing demand. At \$3.280, prices are 46.3 cents (16.4%) higher than a year ago but 25.3% (\$1.110) below 2008's peak.

